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Why Labor in Steel Needs New Leadership

The important point to observe about the steel strike is that the steel companies have not suffered from it. On the contrary, they benefitted by it, and invited it. Early this year they told their customers to stock up in expectation of a strike, and on the basis of the advance orders so accumulated, the steel companies enjoyed a boom in business during the first half of the year, turning out a record breaking 64 million tons and working the mills on the average nearly 90 percent of capacity. By the time the walkout began on July 14, the steel companies had produced enough in six months to keep the economy going for ten; in mid-September, according to Secretary of Labor Mitchell, most steel-using industries were still working off supplies built up before the strike. It was much more profitable for the steel companies to run the mills at a high rate of capacity for six months than to keep them working at a lower rate for ten, and it was, of course, far cheaper to have the workers out on strike than to lay some of them off and have to pay them supplementary unemployment benefits. During the first six months of this year, U. S. Steel earned 16.7 percent after taxes on net worth, enough to give it a respectable return for the year even if the mills don't reopen until 1960. The workers, not the companies, were hurt.

Why Bargaining Power Has Weakened

Organized labor in steel has lost a great deal of its bargaining power. There was a time when steel labor leadership could think in the same public-be-damned terms as the steel magnates, pushing up wages without concern for the fact that wage increases might be paid for several times over by the public in exorbitant price increases. The big organized industries and the big organized unions could benefit within this inflationary spiral at the expense of the smaller competitive industries, the weaker unions, the unorganized and the people living on fixed incomes. Even as late as last February, when Senator Kefauver suggested it would be wise policy for the steel workers to limit their wage demands to the increase in labor productivity on condition that the companies make no further increase in price, David McDonald of the United Steel Workers retorted that he wished the Senator would "keep his nose out of my business." (No doubt Roger Blough, chairman of U. S. Steel, to whom the Senator also addressed this proposal, felt the same way but he was wise enough not to say so).

Not only is the steel price-wage structure very much the public's business but McDonald's union is soon going to need the public's help and good-will. The situation which confronts the steel workers can no longer be met by conventional trade union tactics. The steel industry, confronted with a steady decline in demand* has met the situation in a way that spells trouble for labor. Instead of cutting costs and seeking new markets, the industry has raised prices to the point where it can break even below 35 percent of capacity, and U. S. Steel perhaps below 30. This means steel can get along with fewer workers, and an annual strike of several months a year would be a great convenience.

Private Socialism—Private Economic Planning

In this changing situation the steel workers are going to need something different from the tough guy postures of an uninspired AFL-CIO leadership. Ever since the merger, efforts to think in terms of social policy have been suspect. What the steel workers and the rest of us are up against is a kind of economic planning. Steel and a number of basic industries are the scene of successful experiments in private socialism—their masters have long freed themselves from the bracing rigors of the free market and plan for profitable pricing at a comfortable level of output well below capacity. While the market for steel declines, the price goes steadily up; testimony by Gardiner C. Means and John Kenneth Galbraith before the Kefauver monopoly subcommittee hearings on Administered Prices last March showed that the price of steel is now doubling every ten years. This profitably managed under-utilization in the production of modern industry's basic material puts a drag on economic growth and—with the spread of automation—could add every year to the ranks of the permanently unemployed in steel and other basic industries. At the same time the labor movement is being weakened by a parallel development: the increased ratio of white collar, technical and supervisory employes to industrial workers. The former are harder to organize and non-proletarian in outlook. The foundations of the labor movement as we knew it are slipping.

The labor movement now has a common interest with the general public in working out new mechanisms to check the inflationary spiral fed by monopolistic and administered prices in basic industries controlled by a managerial few, and a common interest in making public welfare and development the standards of economic planning in these industries. But when in April and May, hearings were held by the Kefauver subcommittee on the first tentative step in that direction—legislation to require price notification hearings in such controlled industries as steel—McDonald though aware of the broader issues opposed it and Walter Reuther was the only labor leader who turned up in support.

*** Its old mainstay, the railroads, are virtually going out of business; armament has switched from steel to aircraft, newer metals and electronics; a glut of oil has reduced the demand for oil well equipment and the decline in farm income has cut into farm equipment sales.**

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Their Prospective Imprisonment A Shameful Anomaly in Post-McCarthy America

Calling for A Demonstration to Honor Barenblatt and Uphaus

The Supreme Court's refusal to grant a re-hearing in the Barenblatt and Uphaus cases means that the fight against the witch hunt must be shifted from the judicial to the public forum. There could be no more dramatic way to focus attention on the basic issues than by a demonstration in New York City honoring Lloyd Barenblatt and Dr. Willard Uphaus before they go off to jail.

The former faces six months for refusing on First Amendment grounds to submit to ideological inquistion by the House Un-American Activities Committee. The latter could be kept in jail in New Hampshire for the rest of his life if he persisted in his refusal to give the Attorney General of that State, acting as a one-man inquisitor into "un-American Activities," the names of guests at the World Fellowship Center camp in Conway, New Hampshire.

In an America that boasts of its recovery from McCarthyism, their prospective imprisonment is a shameful anomaly to which world-wide attention should be called and around which a new public campaign against the witch hunt should be launched. We print the statements issued by them in the wake of the Supreme Court's action last Monday:

Thirty Others Face Jail

LLOYD BARENBLATT (who taught at Vassar): "As it now stands, ours is the only democracy with openly legalized government bodies which extract information under duress from people as to their beliefs and political associations, requiring them also to inform on others. There are about 30 other Americans now in the courts who, on the basis of conscience and the First Amendment are risking jail for refusing to inform or to have their beliefs held to account. Perhaps these cases will focus continuing attention on the issues involved. I am hopeful that our democratic system will lead to a restoration of the First Amendment as it applies to the powers of legislative investigating committees."

DR. WILLARD UPHAUS (a lifelong worker in the religious peace movement): "The refusal of the U. S. Supreme Court in no way changes the fact that it is morally wrong to subject innocent people to suspicion, possible harassment and public scorn. Those whose names I was asked to give came to the World Fellowship Center in Conway, New Hampshire, simply to enjoy a vacation and to work for peace.

"In refusing to give names of innocent persons to our official inquisition, I take my stand not only on my own conscience but on the age old teaching of the Bible and throughout the ages that it is wrong to bear false witness. World Fellowship has upheld the New Hampshire Bill of Rights and the First Amendment by holding peaceful assemblies to discuss social justice and world peace.

"The decision in this case emphasizes the danger to these rights from inquisitorial investigations by officials and committees of government. If the Attorney General of New Hampshire and the courts refuse to disown their actions against me, I shall have to take the consequences. In my case, this may mean a life sentence. It is hard to believe the people of the state will permit this destruction of their precious Bill of Rights."

Dr. Uphaus is 68. One reason Dr. Uphaus refused to give the names of guests at his camp is that Attorney General Louis C. Wyman admitted 37 State Attorneys General exchange such names for a cross-index file of "subversives."

We urge all intellectuals, irrespective of political differences, to join in honoring these two men for resisting the American Inquisition.

Our Hat Is Off to the New York Post

We applaud Publisher Dorothy Schiff and Editor James Wechsler of the New York Post for enterprise and courage in taking on the most sacred of all Washington's sacred cows, J. Edgar Hoover, despite pressure and threats. We hope to comment on the Post's Portrait of Hoover in our next week's issue after the Post series has been completed, and urge the Post to reprint it in pamphlet form for readers outside New York. Those who missed the series can catch up by starting with the New York Post of October 6 which carried both installments of the curtain raiser—Dorothy Schiff's piquant "My Secret Life With J. Edgar Hoover."

Unless Congress Acts, Pupil Placement Laws Can Put Off School Integration Indefinitely

Pupil's Placement laws now offer the South an instrument with which it can put off more than token compliance with school integration indefinitely. While avoiding reference to race, they can block transfer of Negro children on other grounds, imposing prolonged litigation on each family. In this they are like the literacy laws which have been so effective in disfranchising the Negro.

So far, however, the Supreme Court has been unwilling to hear an appeal in a pupils' placement case. Two such appeals from North Carolina were denied a hearing last Monday. In one of them, a suit against the Raleigh school board, the Fourth Circuit speaking through Chief Judge Sobeloff, pointed out that the regulations adopted by the school board pursuant to the pupil placement law "tended to perpetuate the system, for each child attending a school by assignment of the board was assigned to the same school for the ensuing year." This seems to imply that school boards under placement laws must adopt some measures of desegregation on their own, but the Fourth Circuit held that the Negro parents in the Raleigh case had "failed to exhaust their administrative remedies" in not appearing before a meeting of the school board.

The other case, Covington v. Montgomery County, argued by the NAACP, attacks pupil placement laws as on their face evasive since they presuppose the continued existence of segregated schools. The Fourth Circuit nevertheless held that the NAACP could not bring such a suit on behalf of a group of Negro students until they had individually gone through the motions required by the state law. Obviously the Supreme Court is waiting for an appeal in which there has been full compliance with procedural docorum, though Justice Douglas noted that he thought the Court should have heard the Montgomery County case.

In the absence of action by Congress to bring about compliance, the Supreme Court cannot hope to keep up with ingenious evasive action. These cases are the best argument for that provision of the Douglas-Celler bill which would give the Secretary of Health, Education and Welfare power to formulate and impose de-segregation plans in recalcitrant areas.

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Though AFL-CIO Old Guard Ignores Khrushchev's Visit, The Ice Was Broken

Anti-Communist U.S. Labor Leaders May Visit Soviet Union

By Sanford Gottlieb

Formerly the Executive Editor of Labor's Daily, Mr. Gottlieb has written extensively on labor questions.

For the first time in a cold-war decade, a few anti-Communist American labor leaders may soon visit the Soviet Union. If the visits materialize, the unionists will go as tourists, steadfastly refusing to accept formal invitations from the USSR's government-dominated trade unions. Nonetheless, the significance of such contacts can be measured by the fact that, since 1949, the only top American union officials to tour Communist countries were left-wingers like Harry Bridges.

Despite Khrushchev's evasions, bluster and outbursts at San Francisco, the meeting there set the stage for the present talk of further contacts. The American participants were impressed that the number one man of world Communism willingly participated in the conference, knowing well in advance the kind of no-holds-barred treatment he would get. When a small group of AFL-CIO vice-presidents met last January with Deputy Premier Anastas Mikoyan in Washington, they subjected him to an interrogation which amounted to an indictment of the Soviet system. Mikoyan surely briefed his boss on this first stormy encounter with American labor leaders.

Tass Gives Fairly Full Account

The American unionists were also impressed that Izvestia published a relatively full Tass account of the meeting, showing Soviet readers that Khrushchev had been asked pointed questions about socialism with freedom, disarmament controls, and the flight of workers from Communist nations. This must have made interesting between-the-lines reading in the USSR. Moreover, Khrushchev used the forum of the San Francisco meeting to appeal for greater contacts. Significantly, the Tass version expanded his appeal into a plea directed squarely at American labor leaders. As if the point had not been sufficiently underscored, Tass added: "There are good reasons to believe that this meeting may serve as a good start, that it may help to pave the way for the establishment of necessary contacts between the trade unions of the United States and the Soviet Union. These contacts are necessary, and may be very fruitful in the struggle for the common cause of strengthening world peace."

Two weeks later, President James Carey of the International Union of Electrical Workers, who served as host at the meeting, carefully kept the dialogue going when he told a union convention: "Whether these contacts are increased, whether any exchange of visits develops, these are decisions for the future. For the present we can only repeat that men cannot fight as long as they keep on talking." Carey's credentials as a spokesman on this subject are in very good order. The president of the only union which successfully replaced a labor organization expelled on charges of Communist domination, Carey visited the Soviet Union three time in the late 1940's. He personally knows a number of top Soviet diplomats and trade union functionaries.

Carey and Walter Reuther arranged the meetings with Mikoyan and Khrushchev in the face of intense pressure from AFL-CIO President George Meany, whose opposition to any and all contact with Communists has always served as official policy for the merged labor federation. When it became apparent the conference with Khrushchev could not be stopped, most of the pressure centered on Paul Phillips, president of the United Papermakers and Paperworkers. As the only former AFL official to announce his attendance at the meeting, Phillips was in a position to spoil the generalizations others might have made about "the CIO gathering for Khrushchev." Phillips did not succumb to the pressure.

The moves by the Reuther-Carey group to establish a more flexible approach in dealing with the challenge of Communism have opened a running debate within the top ranks of the AFL-CIO. While the official policy of non-intercourse has not been modified, it is at least being animatedly discussed. In addition, by holding the meetings with high Soviet leaders despite the pressures, the Reuther-Carey forces have won for themselves greater freedom to maneuver within the AFL-CIO. The way is now open for individual labor leaders to take some personal initiatives.

No Recognition for Soviet Trade Unions

A few discreet soundings about the possibility of obtaining tourist visas to the Soviet Union and other Communist countries have been made by unionists both absent from and in attendance at the San Francisco meeting. This type of informal, unofficial visit is likely to become the extent of the contact between American union leaders and the Soviets in the foreseeable future. No matter how they may disagree about how to deal with Communist power, all AFL-CIO chiefs agree that the Soviet trade unions must not be recognized through official exchanges.

Personal contacts of any kind could help at least to dispel some of the air of unreality which has so long surrounded organized labor's foreign policy pronouncements. Only the day after the meeting with Khrushchev, the AFL-CIO convention passed a resolution declaring: "Khrushchev has been more truculent and demanding in his aggression than Stalin." No amount of contrary information seems to have had the slightest influence and the *AFL-CIO News* vividly illustrated the dominant Old Guard attitude by printing not one word about Khrushchev's meeting with the Reuther-Carey group.

Carey for Co-Existence

"If we of labor are given any opportunity to decrease the tensions between our country and the Soviet Union; if we are given any opportunity to unthaw the cold war even to a very small extent; if we are given any opportunity to encourage the slow unfolding of democracy where democracy does not now flourish—then we shall seize those opportunities and develop them as God gives us strength and guidance.

"For at stake today in the holocaust that faces us—as never before in human history—are not just principles and ideals or millions of lives or whole nations. At stake today, in everything we can do to reestablish contact and reason and common sense, is civilization itself, the human race, perhaps all life."

—James Carey, president of International Union of Electrical Workers, in address to convention of Oil, Chemical & Atomic Workers, Oct. 8, 1959.

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Kuznetsov Strikes New Note at UN: U.S. Economy Not Dependent on Arms Race

That British Conservative Landslide Was An Optical Illusion

All kinds of nonsense is being inferred from the British election by ignoring the fact that the Conservative landslide is an optical illusion: the Tories won a net of 20 new seats, Labor lost a net of 19, thanks to a shift of 1.1 percent in the vote, strategically distributed in certain contested constituencies. The real picture of the British electorate is that of a placid sea. Prosperity helped the Conservative "ins." The Laborite "outs" failed to inspire with a campaign pitched to that lower class envy which is the obverse of upper class snobbery in a sometimes too tightly undemocratic little isle. Only differences of emphasis in the further development of the welfare state separate the two parties at home, and the electorate is so closely divided that neither in office can make radical changes right or leftward. In foreign policy, Labor had the better program but voters, remembering Labor's habit of forgetting its foreign policy pledges in office, may have been skeptical. Macmillan's fruitful mission to Moscow was impressive. The Tories may do a better job of wheedling Washington into more sensible policies. Basically both parties reflect Britain's need for an end of the cold war. The most dramatic evidence of this is that while peace news invariably depresses prices on the New York stock exchange, it pushes prices up on London's.

Death Need Not Be Their Merchandise

An important new note struck by Kuznetsov in his speech on disarmament at the United Nations October 9 seems to have been overlooked in most news dispatches. The Soviet line has been that the U. S. economy depended on the arms race. But Kuznetsov told the UN General Assembly's First Committee, "Many sober minded economists share the opinion that disarmament will not have any negative effect on economy. Thus the organ of the U. S. business circles 'Journal of Commerce' wrote on August 10, 1959, that so far as economic effects of full and final disarmament are concerned different experts have come in general to one and the same conclusion that economy can stand disarmament. One could refer to the recent statement of a prominent American financier McCloy, President of the Chase Manhattan Bank, who said that the dynamism of the U. S. economy did not depend on armaments. He also said that every military industrialist would prefer to produce civilian goods, and that they also had many other, more pleasant needs to make use of their resources, say, for schools, houses and roads." Read by Russians in their own press, this will come as a fresh breeze. The whole truth is that the U. S. economy *has* become terribly dependent on the inflationary crutch of the arms race, but many thoughtful business men are disturbed by this and the problem of finding a peaceful substitute is not impossible in a capitalism still as dynamic and as geared to consumer durables as America's. Kuznetzov's emphasis on the hopeful aspects is wise and welcome.

Free Asia Footnotes

"President Ngo Dinh Diem today opened the first session of the newly elected National Assembly of South Viet-nam with 44 of the 45 members present. The forty-fifth, Dr. Phan Quang Dan, the only successful Opposition candidate, who had a landslide victory in Saigon, was detained by the police when he left his home for the Assembly.

"Despite strongly worded advice from Western diplomats in Saigon, the President appears determined to prevent Dr. Dan, who has a big following in South Vietnam, from taking his seat in the Assembly. Dr. Dan has already been fined more than £ 80 for alleged violations of the electoral laws. He faced three charges: intimidation of voters, having used illegal means of propaganda and having bribed voters by offering free medical attention. . . .

"In country areas, Opposition candidates were simply refused permission to take part in the elections. In Saigon, in the hope of giving the election a democratic facade, they were permitted to stand but given little opportunity to win."

—London Daily Telegraph, Oct. 6, from Saigon.

"The 84-year-old President Syngman Rhee is running for reelection [in South Korea] determined to perpetuate the hold of his Liberal Party. His government has used every sort of authoritarian maneuver and intimidation to blight the opposition, including the muzzling of the principal critical newspaper."

—Editorial, Washington Post, Oct. 11.

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SPECIAL ATTENTION NEW YORK READERS—Dr. Linus Pauling will speak at Carnegie Hall, 8 P. M., Sunday night, October 25 on "Radiation and International Agreement" under auspices of National Committee for A Sane Nuclear Policy: Please Turn Out and Help Make the Meeting A Success

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